

ASSEMBLY BILL

No. 895

Introduced by Assembly Members Halderman and Portantino

February 17, 2011

An act to add and repeal Section 17053.90 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 895, as introduced, Halderman. Personal income tax: physicians: qualified medical services.

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2012, and before January 1, 2017, in an amount equal to 25% of the value of qualified medical services, as defined, personally provided by a qualified taxpayer during the taxable year.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17053.90 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.90. (a) For each taxable year beginning on or after
- 4 January 1, 2012, and before January 1, 2017, there shall be allowed
- 5 as a credit against the "net tax," as defined in Section 17039, an
- 6 amount equal to 25 percent of the value of qualified medical

1 services personally provided by a qualified taxpayer during the
2 taxable year.

3 (b) For purposes of this section:

4 (1) “Emergency medical services” has the same meaning as
5 “emergency services and care” as that term is defined in
6 subdivision (a) of Section 1317.1 of the Health and Safety Code.

7 (2) “Local community clinic” means a community clinic or free
8 clinic as defined in subparagraphs (A) and (B) of paragraph (1) of
9 subdivision (a) of Section 1204 of the Health and Safety Code.

10 (3) “Qualified medical services” means medical services
11 provided by a qualified taxpayer free of charge or at a reduced rate
12 at a local community clinic, or emergency medical services
13 provided by a qualified taxpayer free of charge or at a reduced rate
14 in an emergency department of a general acute care hospital
15 licensed pursuant to Section 1250 of the Health and Safety Code.

16 (4) “Qualified taxpayer” means a physician or surgeon licensed
17 by the Medical Board of California or the Osteopathic Medical
18 Board of California.

19 (c) The amount of credit allowed to any qualified taxpayer by
20 this section shall not exceed five thousand dollars (\$5,000) per
21 taxable year.

22 (d) (1) The value of medical services provided shall be
23 determined according to the usual, reasonable, and customary rate
24 as described in Section 1300.71(a)(3)(B) of Title 28 of the
25 California Code of Regulations.

26 (2) In the case of medical services being provided at a reduced
27 rate, the amount used to calculate the value of the qualified medical
28 services provided shall be the difference between the value of the
29 medical services provided, as determined by paragraph (1), and
30 the reduced rate charged.

31 (e) No other credit or deduction shall be allowed by this part
32 for any amount for which a credit is claimed under this section.

33 (f) The local community clinic or general acute care hospital,
34 as described in this section, shall provide documentation to the
35 qualified taxpayer regarding the value of services provided, as
36 prescribed by this section.

37 (g) If the credit allowed by this section exceeds the “net tax”
38 for the taxable year, the excess may be carried over to reduce the
39 “net tax” for the succeeding eight taxable years, or until the credit
40 has been exhausted, whichever occurs first.

1 (h) This section shall remain in effect only until December 1,
2 2017, and as of that date is repealed. However, any unused credit
3 may continue to be carried forward, as provided in subdivision
4 (g).

5 SEC. 2. This act provides for a tax levy within the meaning of
6 Article IV of the Constitution and shall go into immediate effect.

O